

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 00-0014**  
**Individual Income Tax**  
Calendar Year 1998

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**ISSUE(S)**

**I. Tax Administration – Penalty**

**Authority: IC 6-8.1-10-2.1, 45 IAC 11-15-3**

Taxpayer protests penalty and interest assessed.

**STATEMENT OF FACTS**

Taxpayer, in a letter dated November 8, 1999, protests liability no. 98-0131647 for additional tax, penalty, and interest for tax year 1998. In a telephone conversation on March 29, 2000, the taxpayer no longer protests the tax but requests a penalty waiver plus interest. Taxpayer has paid the tax, penalty and interest in full. Taxpayer has provided information to allow the department to waive the penalty assessed.

**I. Tax Administration – Penalty**

**DISCUSSION**

Taxpayer, at hearing, no longer protests the tax. It protests the penalty and interest. Taxpayer provided reasonable cause to allow the department to waive the penalty. The department, however, has no authority to waive interest under IC 6-8.1-10-1.

The department will refund the taxpayer's penalty.

**FINDING**

Taxpayer's protest is sustained.